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# **Impact of Leadership on Organizational Performance**

**A Case Study of D&R Cambric Communication**

**Business Economics and Tourism  
2013**

## **Acknowledgement**

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Thank you all,

Anees Ullah.

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## TIIVISTELMÄ

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Opinnäytetyön tavoite oli selvittää johtamiskäyttäytymisen vaikutus organisaation tehokkuuteen. Päättävöitteena tutkimuksessa oli löytää johtamiskäyttäytymisen tyypit ja konseptit ja tutkia johtamiskäyttäytymisen vaikutusta organisaation tehokkuuteen D&R Cambric Communications –yrityksessä. Tutkimus käsittelee myös organisaation tehokkuutta palvelusektorilla johtamisen laadusta johtuen. Johtamisteoriat ja erilaiset johtamiskäyttäytymiset esitellään tutkimuksen alussa. Tutkimuksessa käytettiin sekä kvantitatiivista että kvalitatiivista tutkimusmenetelmää. Tutkimusta varten D&R Cambric Communicationin työntekijöille lähetettiin tutkimuslomake ja yrityksen toimitusjohtaja haastateltiin. Empiirinen osio toteutettiin lähettämällä kyselylomake yrityksen työntekijöille. Kaikkiaan 54 työntekijästä 29 vastasi kyselyyn. Tutkimustulokset osoittavat, että johtamiskäyttäytymisellä on suuri vaikutus organisaation tehokkuuteen. D&R Cambric Communicationin toimitusjohtajan käyttäytyminen yhdessä työntekijöiden kanssa oli yksi pääsystä yrityksen menestykseen. Tutkimuksessa selvisi, että johtamiskäyttäytyminen on todella tärkeä avaintekijä yrityksen kasvulle palvelusektorilla.

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## **ABSTRACT**

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The aim of the study was to find out the impact of leadership behaviors on organizational performance. The main objectives of the study were to find out the concepts and types of leadership behaviors and investigate the impact of leadership behavior on organizational performance in the case company D&R Cambric Communication. The research also described the performance of the organizations in service sector because of the good leadership qualities. The leadership theories and different behaviors of leadership were discussed in the beginning of the research. Both the qualitative and quantitative research method was used in the study. The Survey questionnaire was sent to the employees and interview with the CEO of D&R Cambric Communication was conducted for the research. Empirical study was conducted by sending a questionnaire to the employees of D&R Cambric Communication. There were 29 respondents out of a total 54 employees in the company. The results driven from the research showed that there is a strong impact of leadership behaviors on organizational performance. The behavior of the CEO of the D&R Cambric Communication with the employees of the company was one of the major reasons for the company's success. Finally leadership behaviors were found out to be very important key factors for the growth of the companies in the service sectors.

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# 1 INTRODUCTION

## 1.1 Background of the research

The goal of any organization is not only to survive, but also to sustain its existence by improving performance. In order to meet the needs of the highly competitive markets, organizations must continually increase performance (Arslan & Staub 2013). Prior literature suggests that role of leadership is critically important for achieving the performance of organizations (e.g. Boal & Hooijberg 2000; Peterson, Smith, Martorana & Owens 2003). However, the findings of prior studies about the role of leadership in increasing organizational performance are mixed. Some studies (e.g. Finkelstein & Hambrick, 1996; Katz & Kahn, 1978; Peterson, Smith, Martorana, & Owens 2003) suggest that the role of leadership is critically important for an organization to achieve a high level of performance. However, some other studies (e.g. Pfeffer 1977; Meindl, Ehrlich & Dukerich 1985) suggest that role of leadership is not so important in achieving the organizational performance.

Therefore, these contradictory findings about the role of leadership in organizational performance suggest that there is more need to study the role of leadership in organizational performance. Especially, Wang Tsuil, and Xin 2011 suggest that there is need to study more the role of leadership in organizational performance because of the limited but contradictory results from previous studies. Further, much of prior research has focused on the role of leadership in the next of restaurants (e.g. Vanderslice 1988), and education institutes (Bensimon 1989; Birnbaum 1990; Neuman 1992; Youngs & King 2002; Weinberg & McDemott 2002). Therefore, there is a limited understanding about the role of leadership on organizational performance in the context of customer service sector. Customer service sector is getting more and more importance in recent years as firms are directing their attention towards proving quality of service to their customers along with manufacturing. Therefore, the motivation of present study is to investigate the impact of leadership behavior on organizational

performance in the context of customer service sector. Based on author's motivation, the research question and the sub-question of this study are formulated in the following section.

## 1.2 Research question and sub-questions of the study

The previous section presents the course of present study. The basic objective of present study is to study the role of leadership characteristics on organization performance. Therefore, the main research question of present study is as follows:

- How does leadership behavior relate to organizational performance?

The main research question is approached and answered by the following sub-research objectives.

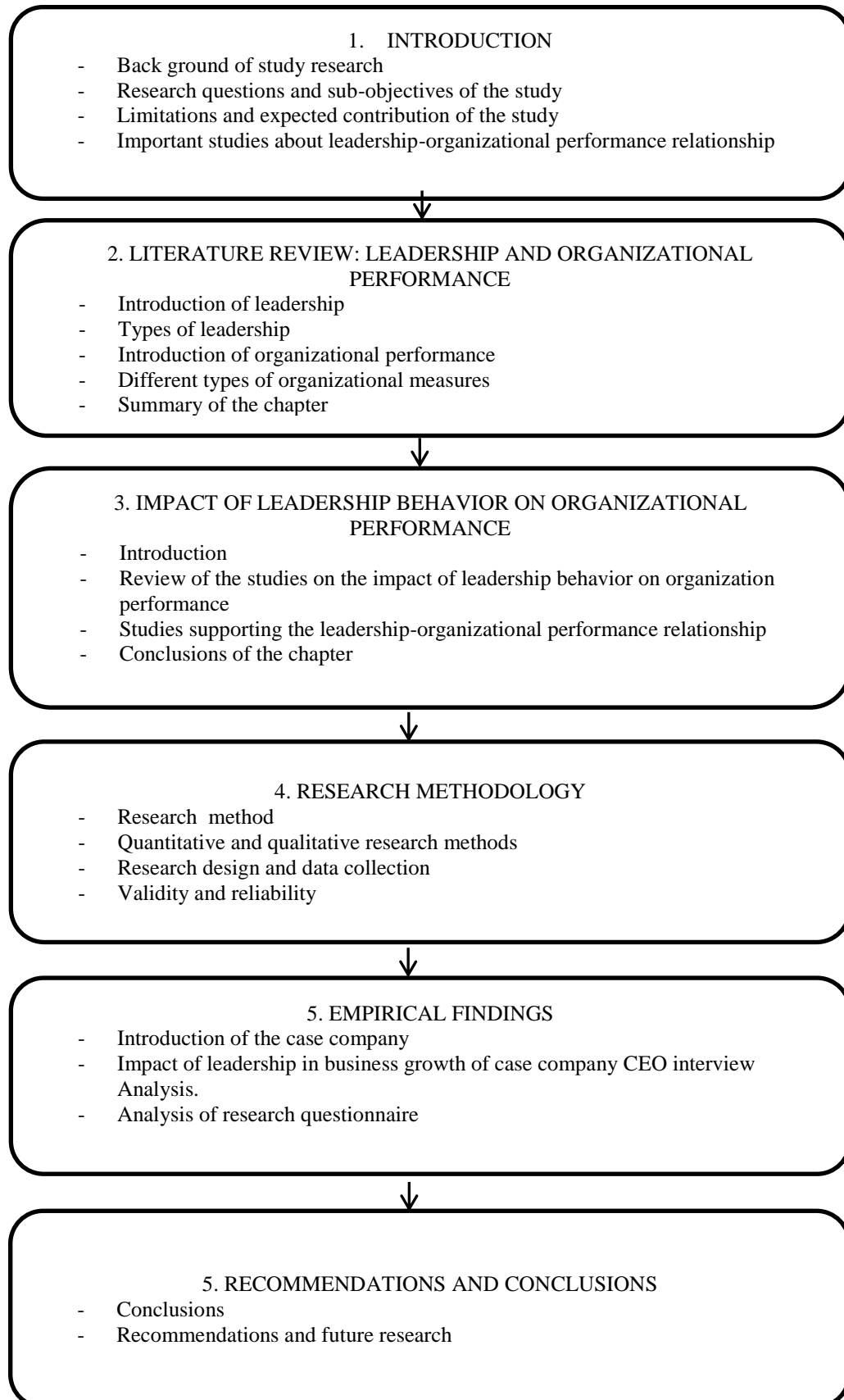
- ✓ To study the concept and types of leadership behavior
- ✓ To study the conceptualization and different measures of organization performance
- ✓ To study the impact of leadership behavior on organizational performance
- ✓ To investigate the impact of leadership behavior on organizational performance in the case company D&R Cambric communication

## 1.3 Limitation and expected contribution of the study

Ghauri and Gronhaug 2010 suggest that it is very important for academic studies to define the limitations of the study. Therefore, it is important to spell here the limitations of the present study before proceeding further. Firstly, an important limitation of present study is that it will only focus on the two types of leadership behaviors that are relational behavior and task behavior. Further, another limitation is that the present study merely focuses the role of leadership in the context of service sector. So, manufacturing organizations are not part of the current study. As discussed earlier in the introduction part, that there is a limited understanding about the role of leadership in the context of service sector. So, the present study, while investigating the impact of leadership on organizational

performance in the context of service sector, will contribute to the existing knowledge on the role of leadership in the context of service sector.

Table 1. Structure of the study



#### 1.4 Important studies about leadership and organizational performance

The most important recent studies on the impact of leadership on organizational performance are discussed in the following. Wang Tsui and Xin 2011 analyzed the 125 Chinese firms to study the role of leadership on organizational performance. Their study identified two types of leadership behaviors. These are relational behavior, and task behavior. Further in their study, organizational performance is measured as profitability, sales growth, market share, and competitive status. They found that leader's task related behavior is directly related to organizational performance. Further, Ryan and Tipu 2013 analyzed the 548 participants in Pakistan to study the role of leadership on organizational performance. Their study identified two types of leadership behaviors. These are relational leadership, and task leadership. Further in their study, organizational performance is measured as innovation propensity. Their study found that leader's task related behavior is directly related to organizational performance.

Table 2. Important studies about leadership and organizational performance

<b>Studies on the leadership behavior</b>					
Ryan and Tipu (2013)	Business	Pakistan	Quantitative study	548 participants	There are two types of leadership behavior. These are active leadership and passive leadership. Further, active leadership has strong impact on innovation propensity
<b>Studies</b>	<b>Sector</b>	<b>Countries studied</b>	<b>Research design</b>	<b>Sample</b>	<b>Findings</b>
Wang, Tsui, and Xin (2011)	Business	China	Quantitative study	125 firms	There are two types of leadership behavior. These are relational leadership and task leadership. Further, leader's task related behavior is directly related to organizational performance
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<b>Studies on the impact of leadership on organizational performance</b>					
Wang, Tsui, and Xin (2011)	Business	China	Quantitative study	125 firms	Leader's task related behavior is directly related to organizational performance
Ryan and Tipu (2013)	Business	Pakistan	Quantitative study	548 participants	Active leadership has strong impact on innovation propensity

## 2 LITERATURE REVIEW: LEADERSHIP AND ORGANIZATIONAL PERFORMANCE

### 2.1 Introduction of leadership

From the beginning of 20th century theories of leadership took place. At the very first the theories were developed in 1900, which are known as Great Man theories. According to that theory leadership is an innate ability that is who is born to lead. After such theories in 1930 Group theory was proposed which stated that how leadership emerges and develops in small groups. Trait theory was developed during 1940-50 which holds the concept that what universal traits are common to all leaders. During 1950-60 Behavior theory was come into existence. This theory emphasizes what key behavioral patterns result in leadership. After this theory another theory was proposed during 1960-70, which is known as Contingency/Situational theory. Its main concern about leadership is that which leadership behaviors succeeded in specific situations. Excellence theory was developed in 1980 which holds the concept that what interaction of traits, behaviors, key situations and group facilitation allows people to lead organizations to excellence.

After all above theories other leadership theories were proposed and discussed primarily by Management Science and Social Psychology researchers, which are limited in perspective, excluding views of leadership developed in other disciplines, as well as in Philosophy, History and Art. These theories are dominated by hierarchical, linear, male, pragmatic and Newtonian perspective.

Other fields add other dimensions in the concept of leadership. Such as;

Anthropologists – Culture

Historians – Long time frames,

Political scientists – Political power

Sociologists – Institutions and societies

In 1957 Political Sociologists defined leadership as “infuse values and purpose of leaders into a group”. In 1977 Robert Greenleaf described leadership as:

“Great leaders serve the group they lead, by creating and maintaining an environment which encourages and supports everyone in maximizing their potential”. (Greenleaf 1977)

A historian/ political scientist James M Burn also defined in 1978 gave his idea about leadership as “followers are central to leadership because they are significantly involved in the negotiations central to the transactions of power they have minds of their own”.

### 2.1.1 Different definitions of leadership

Leadership can be defined in different ways that it is hard to come up with a single working definition. Leadership is not just a person or group of people in a high position. Leadership is a process in which leader is indulged in various activities to achieve any goal. Leadership refers to the behavior/ attitude of a leader to collect and direct the individuals towards any goal. Leadership is a communication process of leader and individuals. So the effectiveness of an organization depends upon the effective leader and effective leader is that person who has an effective leadership style. Leadership is a very important factor for any organization or group. There are three famous ways in which we can describe leadership from different perspectives.

- a. Achieve target through others: There are lot of leaders who have been working hard to lead their teams or groups towards the success yet this achievement wouldn't have been possible without the participation of every member of the team. So it is fair to provide the true definition of leadership which includes those helping hands. In the past leaders have been using hierarchy and issuance of an order to complete the given task. But the leaders of the modern times have come up with a different approach and changed it to the investment of trust to their people, with skilled employees working together in a friendly environment to achieve the goals. Mostly in the organizations management styles are widely spoken rather than leadership

styles. This style of leadership basically involves ruling out of position less leadership and welcomes the informal one. The only difference is you do not claim certain powers on members.

- b. Dominating power of leadership: This type of leadership explains the individual who stands out and is dominant in a group or tribe is said to be their leader. It simply explains that leader is meant to have power over his people by holding top position for certain duration of time. This basically needs the mutual understandings between the people that they will obey the rules. In this type of leadership one doesn't have to be a good motivator relational leader of the people.
- c. Positive change towards the better journey: In this type of leadership it is basically challenge for the status quo towards a better world. Leader is said to have courage to stand up and let them heard even if it means a great risk to them. But in this type of leadership you don't have to hold a formal appointment as long as you think that change is needed off you go and challenge the status quo. This also gives chance to employees to become a leader even though they don't have the right skills or are authorized to take charge.

### 2.1.2 Types of leadership behaviors

There are varieties of leadership behaviors that are important for a firm. The framework used by Hart & Quinn (1993) who focus on the roles of the CEO. They declare that CEOs play four roles to achieve organizational performance. The four roles are vision setter, motivator, analyzer, and taskmaster, each involving certain duties in the organization. The vision setter defines and articulates a firm's basic purpose and future direction with attention to the emerging social, economic, and technological trends. The motivator translates an organization's vision and economic strategy into a "cause worth fighting for". To fulfill this role, the CEO must inspire and motivate employees to accomplish the organization's goals. The analyzer focuses on the efficient management of internal



operating systems, shaping operating decisions, and controlling management processes. The taskmaster focuses on firm performance and responsibilities by influencing subordinates' decisions and allocating resources to the highest priority activities. An effective executive demonstrates a high level of behavioral complexity by being able to perform all four roles simultaneously.

Leadership is not only an in born personality trait. There are different types of leader. Such as;

**strong autocratic leaders:** The leaders who set their goals without considering the opinion of their followers then command their followers to execute their assigned tasks without question.

**consultative leaders:** They consider opinions and ideas of their followers in the goal setting process. They do get other's opinion but don't include it in decision making.

**democratic leaders:** Leaders participate equally in the process with their followers and let the group make decisions.

**charismatic leaders:** This type develops the feeling of oneness between the two people or the personal attraction to be like the other the stronger the attraction is the stronger would be the power. (Bass 1990 Harris and House 1999)

**face saver:** Such leaders ensure the safety and security of the individual.

**laissez-faire leaders:** This is called extremely laid-back leaders. The leader who let the group take whatever action its members feel is necessary.

Recently most of scholars have focused on charismatic leadership and transformational leadership and their effects on organizational effectiveness. Charismatic leadership is conceptually same as transformational behavior. (Shamir House and Arthur 1993) stated, such leadership alternatively called charismatic, visionary, or transformational is claimed to affect followers in ways that are quantitatively greater and qualitatively different than the effects specified

in past theories. As described by Canella and Monroe 1997, in contrast to the agency theory of leadership, transformational leadership emphasizes the importance of leaders' relationships with followers. Key behaviors of charismatic/transformational leaders include expressing a vision, making sense of missions, showing determination, and communicating high performance expectations. The favorable effects of charismatic/transformational leadership behavior on followers include producing followers' confidence in the leader, making followers feel good in the leader's presence, and obtaining strong admiration or respect from employees (Conger & Kanungo 1987). In contrast, transactional leadership behaviors focus on the motivation of followers through rewards or punishment. According to Burns 1978, transactional leadership is related to an exchange relationship that meets the exchange partners' own self-interests. Transactional leadership behaviors primarily aim at the maintenance and monitoring of organizational operations. These leadership behaviors shape the strategies to be pursued by the organization, develop the structure to implement them, direct subordinates efforts and attention, and correct any mistakes or deviations from expectations. These actions are directed at enhancing organizational performance either through dealing with the tasks directly or through influencing the behaviors of followers. Clearly, charismatic/transformational and transactional leadership involve two types of behavior. One focuses on the tasks or performance of the firm, such as planning, articulating the vision or goals for the organization, monitoring subordinate activities, and providing necessary support, equipment and technical assistance. The other focuses on relationships with employees, including being supportive of and helpful to subordinates, showing trust and confidence in employees, being friendly and considerate, trying to understand subordinates problems, showing appreciation for a subordinate's ideas, and providing recognition for subordinates contributions and accomplishments (Yukl 2002). In fact, the task-oriented and relationship-oriented behavior clash of leadership is rooted in early research work at Ohio State University and the University of Michigan (Stogdill 1974).

## 2.2 Introduction of organization performance

According to Chen (2002), organizational performance means the “transformation of inputs into outputs for achieving certain outcomes. With regard to its content, performance informs about the relation between minimal and effective cost (economy), between effective cost and realized output (efficiency) and between output and achieved outcome (effectiveness)”. There are various ways to understand organization performance but in this thesis it has been judged upon the growth of the company and sales performance which lead towards the growth. Sales performance can be explained as all the activities or investment carried out in the firm in the given period of time. It can be measured by total amount of revenue collected for the goods sold. Growth revenue defines as total amount of money collected by the company for the goods they sold in a specific time and this amount is calculated before any expenses are subtracted. Effectiveness of the organization depends on the three basics performance determinants.

1. Efficiency and process reliability
2. Human resource and relations
3. Innovation and adaptation to environment. (Yuki 2006).

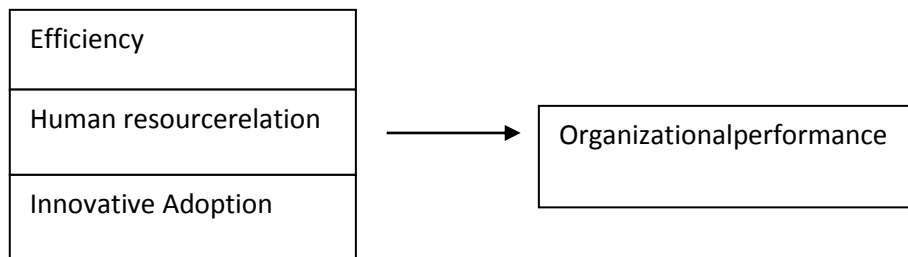


Figure 1. Organizational performance

Efficiency is defined as a term practiced by organization or firm to use people and resources to carry out important operations in way which minimizes the costs. When the resources will be used in a proper way as compared to the competitors the cost of operation will decrease and the profit margin will increase. Efficiency is important when the competitive strategy of the firm offers products and services at lower rates than the competitors. Human resource relation is defined as trust,

organizational commitment, collective identification and cooperation among the employees. (Bass 1990 Yuki and Tabler 2002). Innovative adaption includes increase in market share, sales growth from year to year, generating and maintaining loyal customer base.

### 2.2.1 Different conceptualizations of organizational performance

There are different ways or concepts in an organization which can be adopted to improve the organizational performance,

1. **Structure drives behavior:** Organizational structure includes certain policies and procedures which are followed by the employees when they are performing their day to day activities. It also includes the goal or targets set by the company's management for the organizational population to achieve. The actual work flows that employees are encouraged towards their targets and goals.
2. **Cause and effect are not closely related in time and space:** While looking forward to organizational decision making it is necessary to consider the delay in time decision was made and the time outcome was seen in most cases this takes several months or years.
3. **No single right answer:** In an organization decision making some answers to the question is clearly better than the others but there is no one right answer sometimes we think that our answer was the best one but actually it is not in organization decision making the right answer today can be proved wrong tomorrow.
4. **Behaviors will get worse before they get better:** Whenever we learn something new the effectiveness of our behavior will diminish before the new ability or skills is able to provide the improvements as required. So once again it's a delay between learning the new skill and effectively utilizing it according to the needs.

In this thesis more attention is given to the service sector as the case company is a Call center which totally relies on customer service, customer satisfaction and results in growth of the company financially as well as in the number of employees.

The conceptualization of organizational performance in such industries where you don't interact with the customers face to face needs a very high level of behavior and skills to satisfy the customers. In order to maintain that the company needs to work hard on the employees to maintain their ethical and social behavior as the employees are connected to the customers over the phone. The concept here is to listen to the customers as much as you can to actually find out the need of the customers.

### Service Sector In The Calling Industry

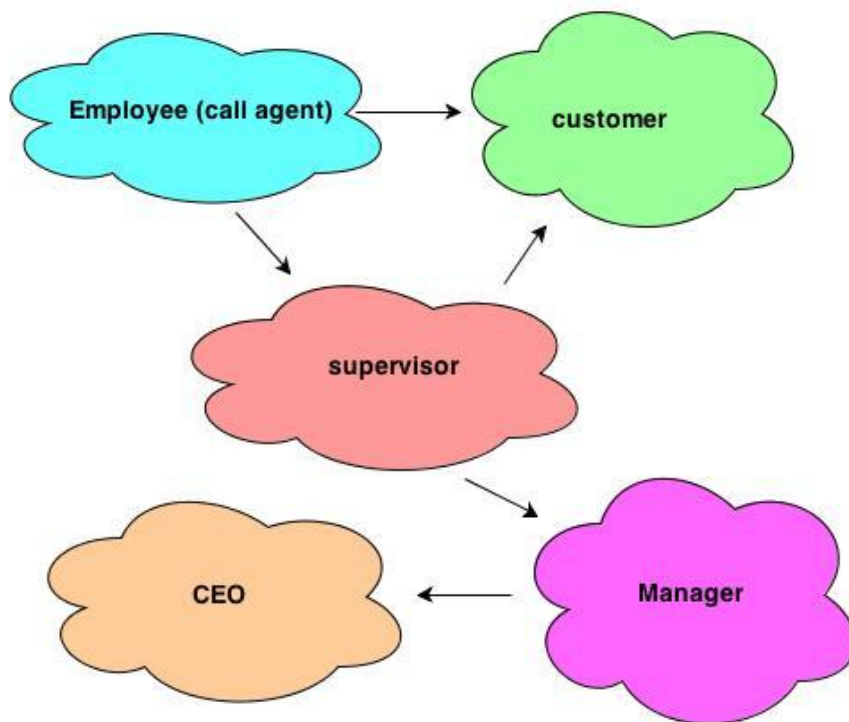


Figure 2. Service sector in calling industry

In the figure above it clearly describes about the service sector in the calling industry and how it works. The calling agent or CSR plays the main role here that

actually receives or makes the call to the customer. As soon as the call is connected the flow of information or product knowledge starts between the customer and the agent or employee. This conversation continues until the customer gets complete knowledge of the product and is satisfied with the service or product. But in between if the agent is not able to provide the complete knowledge of the product it is possible to excuse the customer and transfer the call to supervisor from where it continues further till the sale is closed or product is sold. During the conversation calls are being monitored. If there is any sort of misbehavior from the agent side to which the customer complains results in immediate suspension of the agent from the call and transferred to supervisor and then manager. There are two types of call centers

1. In bound: This is where the agent receives the call.
2. Out bound: This is where the agent makes the call.

The main differences between these two types are that in inbound centers agents receive the calls whereas in outbound call centers agent makes the call. Customers who make in bound call are mostly interested in purchase because they already have some idea about the product. But in outbound call centers most of the customers are not aware of the product or a new promotion. So inbound sales call are considered to be easier than those of the outbound sales.

### 2.2.2 Different ways to measure organizational performance

Measuring and analysis of organizational learning has become widely popular and play a very important role in the success of the organization. Lot of work has been done on this. The performance is usually evaluated by calculating the values of qualitative and quantitative performance indicators like profit, cost, and clients. It is quite important for a company to determine the relevant indicators how they relate to the company goals and their dependence on the performed activities. Currently lot of managers recognize this and put the necessary effort to define the company goals, performance indicators and evaluate them. However practically

such analysis is done in an informal way and will benefit more from the systematic approach. The initial step towards an improvement in this area is to make explicit the available knowledge on performance indicators and how they are related. In order to use this knowledge in a modern framework for organization modeling it is necessary to validate the concept of a performance indicator together with its characteristics, relationships to other performance indicators and relations to other formalized concepts such as goals, processes and roles. This will not only contribute to the design and analysis of organizations and the evaluation of their performance but will also enable reuse, exchange and alignment of knowledge and activities between organizations (for example supply chains). “Managers must stimulate innovation in the core strategy, Business, Model, processes, policies and productivity.”(James B hangstefer Nov 1999). A company can easily measure its growth by some new metrics called momentum indicators. One of the most important indicators is revenue margin. Revenue margin is the profit from revenue and is only the source of operating profit. An unsatisfactory trend in revenue margin shows that company’s market position as compared to competitors is not strong. Along with them there are other specific momentum indicators both quantitative and qualitative necessary to create a picture of things if working accurately or not. These indicators are used to measure the three drivers of performance market position strength, organizational vitality and productivity gain. They are also measuring the outcomes financial performance and stake holder value produced. According to the research life cycle model is found which shows seven different stages of the organizational growth in this model growth is basically shown as revenue (for profit) or budget (not for profit).Basically organization is said to have a successful transition if its infrastructure has developed and supports the size successfully otherwise if it does not comply with the size the organization would face growing pains.

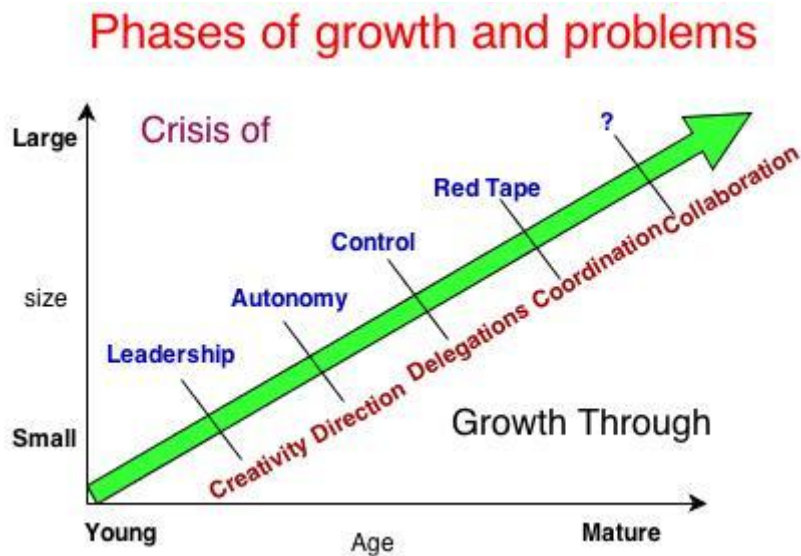


Figure 3. Phases of Growth and problem (Recklies 2001)

### Growth through:

1. Creativity: This is the beginning phase where there are very few people exist in the company. They are familiar to each other and share their ideas views knowledge and information.
2. Direction: In this stage company gives task to certain people.
3. Delegation: Management assigns tasks, functions and provides authorities to other people in the company. Departments perform and improve their own dynamics.
4. Co-Ordination: All the responsibilities and projects are matched between the departments of the company so that they cooperate with each other.
5. Collaboration: There is a smooth co-operation between the divisions of the company and is effectively organized so that they can function together effectively.

### Crisis of:

1. Leadership: The larger the company it is difficult to manage it in efficient way. It is difficult to differentiate the problems which are important from



the unimportant issues, since there are very less or no organizational structures that allow work to certain persons. The company needs a competitive leader who can bring the team together and can establish suitable systems and structures.

2. Autonomy: If the company continues to grow steadily, this leads to extremely high work pressure for the manager and for the management team. They have to look after the company very well. They are duly responsible for allocating tasks, guiding results, obtaining work, solving problems and motivating people. As the company grows, management will not be able to handle this way.
3. Control: If management now fails to perform the activities of these departments, they would begin to handle tasks more from their own vision than with the entire business in mind. In the difficult situation, the departments would work against each other.
4. Red Tape: This coordination can bring to a high level of bureaucracy. Adjustment requires high efforts that make it quite difficult for the company to adjust to changes in the external environment.
5. Nevertheless: Doing business is not so easy and the following crisis is waiting for sure.

(Recklies 2001).

## 2.3 Summary of the chapter

This chapter starts with the explanation of introduction to leadership with its theoretical background providing the history of leadership theories and the changes occurred in them in different times. Further it continues with definition of leadership in various different ways. It explains about how the leaders make their followers achieve targets through others, dominating power of leadership and positive change towards the journey. Types of leadership behaviors were discussed the framework used by Hart and Quinn was shown

which focused on the four roles of CEO like vision setter, motivator, analyzer and task master that are important to achieve organizational goal. The vision setter defines and articulates a firm's basic purpose and future direction with attention to the emerging social, economic, and technological trends. The motivator translates an organization's vision and economic strategy into a “cause worth fighting for”. To fulfill this role, the CEO must inspire and motivate employees to accomplish the organization's goals. The analyzer focuses on the efficient management of internal operating systems, shaping operating decisions, and controlling management processes. The taskmaster focuses on firm performance and responsibilities by influencing subordinates' decisions and allocating resources to the highest priority activities. Different types of leaders were also discussed like Strong autocratic leaders, Consultative leaders, Democratic leaders, Charismatic leaders, Face saver and Laissez Faire leaders. The chapter also explains about the introduction to organizational performance that how an organization achieves certain outcomes by transforming inputs to outputs. Keeping in view performance of the case company the organizational performance is based upon three main factors which are efficiency, human resource relation and innovative adoption. Then comes the different conceptualization of the organizational performance that how can a performance of the organization be improved with different factors such as structure drives behavior, cause and effect are not closely related in time and space, no single right answer and behaviors will get worse before they get better. The working discipline in the case company was described which relates to the service sector. Finally growth measurement of the organizations which is very popular now a days is explained at the end of the chapter that how the organization grows and faces different problems while passing through that growth phases is been discussed thoroughly.

### 3 IMPACT OF LEADERSHIP BEHAVIOR ON ORGANIZATIONAL PERFORMANCE

There are number of researches done on the studies related to leadership performance in order to separate the values, motivations and other personality dimensions that are unique to successful leaders (Brockhaus & Horwitz 1986; Ginn & Sexton 1990). However very few have been specifically defining the leadership styles of small businesses CEOs. Leadership has been examined from various perspectives, including Leaders personal characteristics, the nature of the organizational context and the behavior of subordinate (Yukl 1998). Charismatic theory of leadership tries to explain how leaders get followers to exceed their own self-interest for the sake of an organization (Shamir, House, & Arthur 1993). As charisma is a rare and complicated phenomenon that's hard to manipulate and often can be transitory (Trice & Beyer 1993), it is mostly noticed in organizations that are in crisis or survival zone (Yukl 1998). Charisma is also seen as an important element in leadership based on transformational theory. Here, leaders use charisma to empower the followers that is transforming them into much higher performers. (Bass 1985).The transformational perspective is mostly applied to the transactional leadership style, which emphasizes contingent rewards to influence motivations of the followers (Bass 1990). The image of the transformational and charismatic leader who builds and promotes a unique and appealing vision, and inspires employees to believe in his/her leadership, seems an especially appropriate picture of the entrepreneur. However, these styles are difficult to evaluate with cross-sectional survey research designs and are best evaluated by longitudinal observations of entrepreneurial leaders at work in building innovative and high growth new ventures. Consideration style leaders show a high level of concern for people and are supportive of them. They would seek and accept suggestions from subordinates, consult with employees in advance on important matters and criticize the work rather than the people. A leader oriented toward the start of structure style would highlight the clear definition of tasks and goal-setting, be more likely to actively introduce his or her own ideas, assign duties and tasks to other people, and monitor their actions

closely. Further, this leader sets demanding performance standards, expects obedience to the standards, and encourages competition among employees. These two styles are good close indicators of a leader's behavior, because a style signals the manager's tendency to action. Each style has been found to be effective under different types of conditions, such as differences in types of tasks and/or types of subordinates. For example, the consideration style appears to work well in units with expert and creative personnel, such as in R&D units or project groups. On the other hand the initiation style would be effective where tasks require extensive guidance, coordination, monitoring and when there is pressure for results (Yukl 1981). However, while researchers have noted a positive correlation between relation-oriented behavior and performance (Latham & Saari 1979; Wexley & Nemeroff 1975), results are less conclusive regarding the performance impact of a leader's task-oriented behavior (Yukl 1998). Further, it has been pointed out that highly effective leaders are likely to use a mixture of both task and relationship oriented behaviors (Sashkin & Fulmer 1988). They may selectively employ the style appropriate to a given situation, e.g., considering the type of subordinate or the type of task at hand (Yukl 1989). In the context of small businesses, the leadership styles of entrepreneurs in making the various strategic and operational decisions could be expected to impact the organizational effectiveness of the firm. While entrepreneurs may occasionally learn to change their styles to suit the circumstances, leadership styles are likely to remain fairly stable overall. Therefore, a certain style affects the CEO's managerial decisions over extended periods, with a particular style being more effective under a specific set of circumstances. Building on this logic, let us outline the types of relationships we can expect between leadership styles and business strategies and management systems among very small and small firms.

### 3.1 Review of prior studies on the impact of leadership behavior on organizational performance

Leadership is one of the key driving forces for improving firm performance. Leaders, as the key decision-makers, determine the acquisition, development, and deployment of organizational resources, the conversion of these resources into valuable products and services, and the delivery of value to organizational stakeholders. Thus, they are potent sources of managerial rents and hence sustained competitive advantage (Avolio 1999 Lado 1992 and Rowe 2001).

Prior research has examined various factors to explain the growth of firms, but the role of the leadership style of CEO has not been studied. Understanding relationships between performance, leadership styles, business strategies, and management systems should provide clues on how the growth paths of fast track firms differ from those of lazybones.

Prior research has focused on diverse personal, firm, and market characteristics that influence small business success (Barringer & Greening 1998; Begley & Boyd 1987). This thesis extends such research by specifically analyzing the effects of leadership style on small business success.

An initial premise of this study is that, as with large corporations, the attitudes and behaviors of the leaders substantially shape the functioning of smaller firms (Bass, 1981; Yukl 1998). In fact, owner/CEOs of small businesses have a strong influence on firm functioning. The CEO of a small business, such as a restaurant, regional real estate agency, printing and publishing firm, or even a small local beauty salon, is often the operational manager as well as the leader of the firm. These CEOs are often involved with vendors and customers. They would be in charge of financial control and reporting systems and they tend to supervise operations and handle personnel decisions. At the same time, they continue to be the CEOs who frame the firm's vision and effectuate it through strategic planning.

Hence, the leadership style of CEOs, which is indicative of their tendency in managerial behaviors and actions, is an essential ingredient in the mix of factors

that influence a firm's success (Bass 1990 Tharenou & Lyndon 1990 Yukl 1998). A related premise underlying this study is the likelihood of a strong correlation between leadership styles and firm characteristics. Specifically, it is posited that in order for a firm to succeed, the business strategies and management practices have to fit or match the owner/CEO's leadership style. In other words, certain types of business strategies and management systems are more appropriate than others for particular types of leadership styles and success is more likely when there is such an internal consistency.

Transactional leadership helps organizations achieve their current objectives more efficiently by linking job performance to valued rewards and by ensuring employees have the resources needed to get the job done. The level of integration and interdependencies that are needed for the new work environment as well as global competition require leadership that goes beyond the more basic transactional styles, which involve contingent reinforcement and management-by-exception, to styles that are more intellectually stimulating, inspirational, and charismatic (Avolio 1999, Bass 1997 and Bass & Avolio 1993). Further, transformational leaders create a strategic vision, communicate that vision through framing and use of metaphor, model the vision by “walking the talk” and acting consistently, and build commitment towards the vision (Avolio 1999 and McShane & Von Glinow 2000).

This view suggests that transformational leadership will result in high levels of cohesion, commitment, trust, motivation, and performance in these new organizational environments. Previous empirical research and Meta analyses have indicated that transformational leadership has a positive effect on individual performance and organizational outcomes (Howell & Hall-Merenda 1999). Numerous studies have reported positive relationships between transformational leadership and outcomes at the individual level and firm levels (Avolio 1999 and Kirkpatrick & Locke 1996). Most recently, many empirical studies have reported that transformational leadership has a positive impact on follower performance and firm outcomes (Avolio 2003 Jung & Sosik 2002 MacKenzie 2000 and Walumbwa 2002). A number of comparative studies (Waldman Ramirez House &

Puranam 2001) have also reported that transformational leadership behaviors are more positively related to subordinate effectiveness in a variety of organizational settings than are transactional behaviors.

### 3.2 Studies supporting the leadership behavior -organizational performance relationship

Organizational commitment has received substantial attention in past research due to its significant impact on work attitudes such as job satisfaction, performance, nonattendance, and turnover intentions. Organizational commitment has been defined differently by different scholars depending on their backgrounds. However, Mowday et al.'s 1979 definition has been adopted in this study. This definition is widely used in the literature and it has been used before in third-world studies (Al-Meer 1989). They define organizational commitment as the relative strength of the identification of the individual and his involvement with his particular organization. According to this definition, organizational commitment has three basic components: a strong belief in and acceptance of the organization's goals and values (identification); a willingness to exert a considerable effort on behalf of the organization (involvement); and a strong intent or desire to remain with the organization (loyalty).

According to OC theory, an employee's commitment (at least that of the affective type) does not merely make him or her remain with the organization irrespective of the circumstances, but also contributes to his or her efforts on its behalf. Relatively early research showed OC as having an impact on job performance, turnover (Mowday et al 1982), pro-social behavior, and turnover intentions or likelihood, as well as on nonattendance (Angle & Perry 1986), self-sacrifice towards colleagues and job stress (Wasti 2005). Research linking OC to broader measures of corporate performance is much scarcer. Indeed, only three studies are known to us. Benkhoff (1997) investigated the link between OC and organizational performance as measured by sales targets met and profit figures. It was found that OC was significantly related to the financial success of bank branches, although with varying results depending on how OC and performance

were measured. Wright Gardner and Moynihan (2003) analyzed OC and HR practices within autonomous business units of a single corporation, and found that both variables were significantly related to various performance measures (quality, shrinkage and productivity), as well as to operating expenses and pre-tax profits. A further study of Malaysian companies (Rashid Sambasivan & Johari 2003) found that corporate-culture type and OC had an impact on financial performance (return on assets, return on investment, current ratio). Other positive results relating to the link between commitment and company performance can be found in the HRM literature. For instance, a recent meta-analysis found evidence that human resource policies designed to encourage individual commitment are among the strongest predictors of organizational performance (Gmür & Schwerdt), The following figure summarizes the expected relationships.

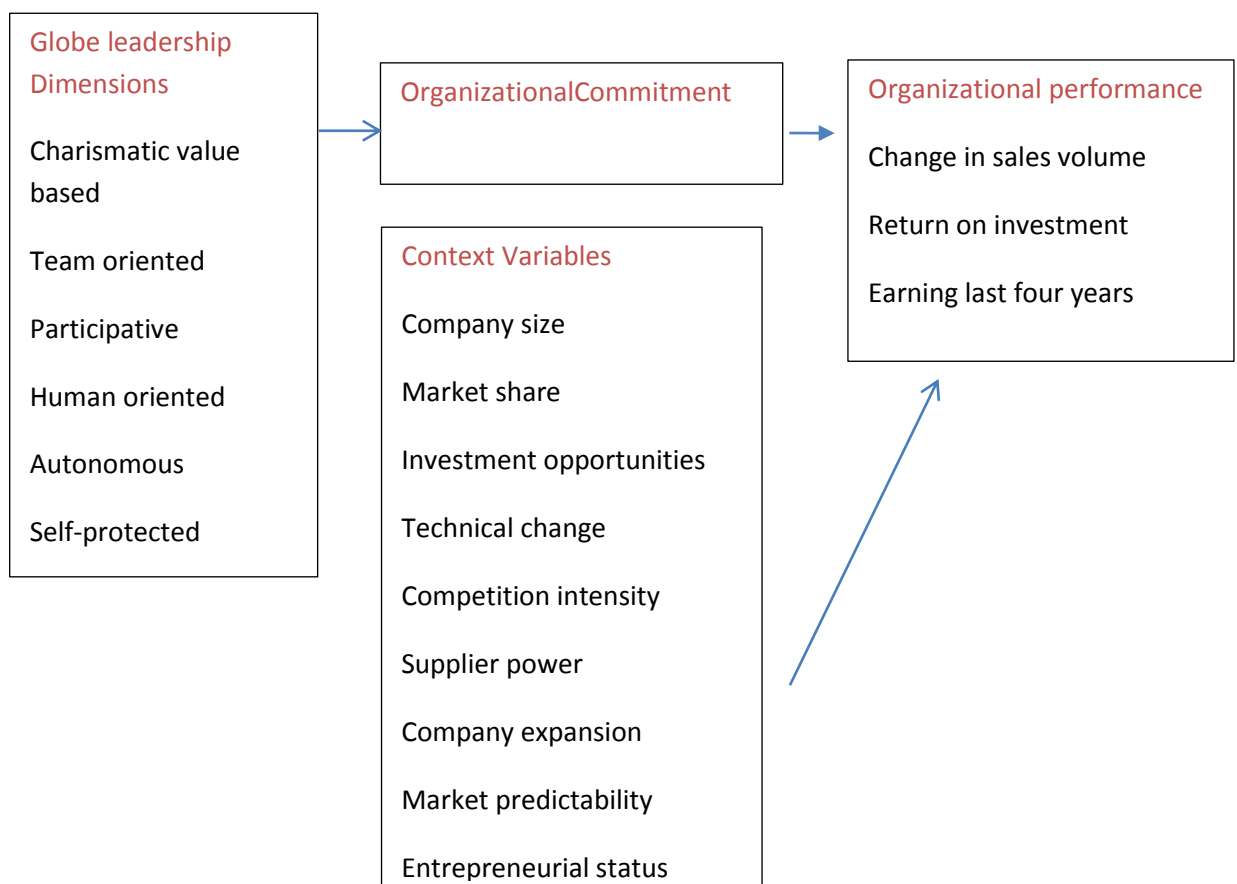


Figure 4. Organizational performance relationship.



### 3.3 Conclusions of the chapter

This chapter concludes the impact of leadership behavior on organizational growth. It explains about how different researches prove the impact of leadership behavior on organizational growth. Many research have been done on this but there were few which focused on leadership characteristics of small businesses that how the smaller firms grow and achieve their targets with the help of a leaders skill and capabilities and thereof subordinates response and efforts on that. Charismatic theory of leadership was described which is an essential theory of success for the small firm's business owners and leaders. Consideration style leaders have also been given attention where the leaders also consider subordinate way of thinking about the performance. Prior studies about the impact of leadership style on organizational growth have also been enlightened in this chapter. Prior research has examined various factors to explain the growth of firms, but the role of the leadership style of Chief Executive Officers (CEO) has not been studied. Understanding relationships between performance, leadership styles, business strategies, and management systems should provide clues on how the growth paths of fast track firms differ from those of lazybones. Various factors have been known about the organizational growth but not many studies about the Leadership role in the firms is found in prior literature. The more emphasis on the prior research is given to the diverse personnel, firm and market characteristics that influence small business success. Hence, the leadership style of a CEO which also has a tendency in their managerial behaviors and actions is an important factor that influences a firm's business success. Transactional leadership helps organizations achieve their current objectives more efficiently by linking job performance to valued rewards and by ensuring employees have the resources needed to get the job done. It is also said that transformational leadership behaviors are more positively related to subordinate effectiveness in a variety of organizational settings than are transactional behaviors. There are several studies which supports the leadership behavior and organizational performance relationship. In the end of the chapter it is explained how the organizational commitment or performance has received a substantial attention due to its

significant impact on work attitudes such as job satisfaction, Performance, non-attendance and turn over intentions. Organizational commitment has three basic components i.e. identification, involvement, loyalty. According to OC theory, an employee's commitment (at least that of the affective type) does not merely make him or her remain with the organization irrespective of the circumstances, but also contributes to his or her efforts on its behalf.

## 4 RESEARCH METHODOLOGY

### 4.1 Research method

Research is simply the process of finding solutions to a problem after a thorough study and analysis of the situational factors. The research topic on which the research is being done demonstrates the impact of leadership on firm's business growth and achievement of the organizational goals.

To analyze the results two types of data is being used, primary data and secondary data. Primary data is the data which is collected by researchers themselves for the specific research purpose. This, for example, consists of interviews transcripts, questionnaire responses and observation records. Data collection is not so easy process as it may consume time and expenses and it is not necessary that all the information needed is gained but as soon as you receive the information primary data is ready.

Secondary data is said to be the existing data which is used by a researcher rather than by collecting new information. Secondary data can be collected from, for example, survey data, office of population census and social trend figures. Secondary data can be quite helpful if the researcher cannot find any sources from which to collect their own data. This is also quite a fast and a cheap method to use previous data. (Chourton & Brown 2010, 218-220)

### 4.2 Quantitative and Qualitative research methods

In this case study there are two methods used, qualitative and quantitative. These two methods were combined in order to get the required results. (Howe 1988, p.10).

Quantitative research mainly consists of numbers and statistics. It includes methods that give countable results. The collected counted information can be used to determine averages, highs and lows and the rankings of an item when

compared numerically with another one. For example, if a survey questionnaire which consists of several multiple choice questions is developed it is easy to count the number of persons who answered and those who did not answer that question in certain way. So, the study design when using a quantitative method is basically subject to statistical assumptions and conditions.

Unlike quantitative research qualitative research consists of an investigation that is based upon seeking answers to questions, systematic use of predefined set of procedures to answer the questions, collect evidence, produce findings that were not determined in advance, produce findings that are applicable beyond the immediate boundaries of the study.

Qualitative research is basically important for obtaining culturally specific information about values, opinions, behaviors, and social contexts of particular populations. The study design in qualitative research consists of data collection and research questions that are adjusted according to what is learned.

#### 4.3 Research design and data collection

This research is basically collected through primary data by sending out the questionnaires and conducting an interview with the CEO of D&R Cambric Communication. The study applies both the quantitative and qualitative research methods. Most of the scholars implement different methods to carry out the research which depends on the purpose of research and type of information required. Both qualitative and quantitative research methods inside any of these rules should be used. (Porter & Coggin 1995,7).

In this research study qualitative method will be used. The qualitative method is used because it makes it possible to answer to the questions of why, how and in what way. It also applies because an interview is conducted with the CEO. On the other hand quantitative approach is also equally important as questionnaires and surveys are used to collect the numerical or measurable data. The expectations of the researcher to get a broader picture of what he expects is also a part of quantitative research.

#### 4.4 Validity and reliability

Validity means ability of the research method to find accurate reality. If the research is said to be valid then it really means that what was intended to be measured has been measured accurately. Validity is quite important if the researcher is doing in- depth studies on individuals, small groups or situations. If the researcher knows that his research is valid then he can be confident on the findings that really show some uniqueness in the issue being studied. If the researcher lacks validity then it means that there was lack of truth in the findings. (Churton&Brown 2010, 211 Earl Babbie 1989, 127).

Reliability means to measure consistency in producing similar results on different but comparable occasions. If research is said to be reliable that means if it is replicated, similar or identical results will be shown. If researchers know that their research is reliable then there is less risk of their taking a chance pattern or trend exhibited by their sample and using it to make assumptions about the population as whole. (Churton & Brown 2010, 209).

The validity of this research is calculated by sending a questionnaire to the employees of the case company D&R Cambric Communication. The CEO of the company is also interviewed over the phone. The required results to conclude the research are found through the interview and the response of the employees. The study includes an online questionnaire link sent to CEO and then forwarded to the employees of the company. There are 54 employees in the company and 29 responses to the survey. Hence, the research is said to be valid.

The reliability of the research is also said to have been proven if the researcher pre-tests the questionnaire. In this research questionnaire was sent to the supervisor to check the reliability before the final work is ready to be sent to the respondents. The reason for the pre-test is to check that the information is appropriate for the research or not. In order to make the research more reliable the empirical study is combined with theoretical study. The researcher found the research to be reliable because the results found were as expected and more than

50 percent of the employees of the company responded to the survey. Hence, the research is said to be reliable.

## 5 EMPIRICAL FINDINGS

### 5.1 Introduction to the case company

D&R Cambric Communication was founded in 2009 and their vision was to offer services to entrepreneurs all around the world. D&R Cambric Communication is a call center serving customer globally. D&R Cambric solutions provide distinct services by utilizing the art of technology and investing in growing call center and software solutions. D&R Cambric is offering a distinctive solution for businesses who desire to outsource their business needs. By accumulating what comprises the costs of staffing, capital expenditures, and program development across the customer camp. D&R Cambric Communication is able to give their potential customers the best customer services possible.

The invention of the telephone has immensely helped businesses to meet the desired needs of their clients. The invention of new technologies like mobile phones text messaging, the answering services of call centers have become popular. There are plenty of reasons why call centers have continued to grow and succeed in this environment. Mostly people like to talk to people while buying something because they can ask questions and queries there and then. If someone wants to buy something they will mostly prefer to talk live with some agent assisting them about the product rather than leaving a message.

D&R Cambric Communication have assisted businesses and entrepreneurs all over the world by providing them with better solutions for customer services. D&R Cambric Communication will continue to grow and implement unique programs and services, which enhances the image and efficiency of businesses of all sizes.

Currently D&R Cambric Communication is running three main projects in UK, Canada and Australia. These projects are mainly the backbone of the firm.

D&R Cambric Communication has worked for many companies since the beginning of their operations four years ago and has provided best possible

services they can. Their motive is to provide quality service and stay in the market for a long period of time which is only possible when they provide quality service. D&R Cambric communication is a 24 hour service providing company. They have three campaigns and three shifts per shift, 8 hours in a day with the employees working in different shifts. Presently they have 52 employees as CSR`s working in three different shifts. They have 12 employees in other departments.

## 5.2 Analysis of Interview

A telephonic interview with the CEO of D&R Cambric Communication was conducted. In the interview CEO Mr. Rashid stated that their business growth was so fast and what were the reasons behind it, how they motivate employees, how the growth was, and about behavior`s with employees.

The CEO said that they use various techniques to motivate their employees as they know that their employees are the backbone of the firm, and therefore they desperately need to motivate them to get the best results out of them.

Further on when question was asked about the employee`s motivation, the CEO stated that they have some tools for the motivation which are:

Tool 1: “We offer them effective deals on daily basis such as a target of 20 sales today and we take them to the fast food restaurant”

Tool 2: “We offer weekly target achieving bonuses in cash”

Tool 3: “We offer monthly targets; if they are achieved we take them to a picnic”

With the help of these deals we motivate our employees and they try their best to achieve these deals.

We also offer a TOP SELLER prize, whoever achieves this deal will get a NETBOOK or a GALAXY S4 etc.



This showed that they use the reward based strategy for the motivation which is also one of the most important leadership behaviors used by many firms today and which has been discussed in this research as well.

The question was asked about the growth of D&R Cambric Communication in a short period of time on which the CEO replied that growth is always directly related to hard working employees in the company. The CEO stated:

“Growth of the firm is always because of employees, when they worked hard we promoted them to a better position. In this way we started doing proper management. In the beginning we had only five CSRs with two managers who also had to work as supervisors and two office workers. With this small team of nine people we started our organization. But with the passage of time when we had experienced CSRs we promoted them to become supervisors and we expanded our business to 33 seats in just one year.”

“One of the most important reasons for growth is also that we have potential clients in foreign countries who never betrayed us. Whatever business we have provided them they have fulfilled their commitments of payments.”

The question about the relation between the employees and the CEO was asked on which the CEO stated that:

“Relations have always been good with our employees, not too strict neither too lenient. We have a game called Counter Strike; we arrange tournaments for our employees which is quiet fun way to refresh them.”

“Games like these built team spirit which helps them to motivate themselves when they have targets to achieve.”

This shows that the company leaders have done their best to keep their employees motivated and dedicated to their work. This behaviors of leadership used in D&R Cambric Communication basically describes a democratic and transactional leadership which is discussed in this research.

The CEO was asked about the leadership behaviors on the firm's business growth on which the CEO replied,

“Leadership quality does matter especially when you have a team of employees who have to work together and only then they can benefit the company. Call Center is always about achieving targets. A leader has to motivate his team every day to achieve their targets. If a leader is not fair then this will lead to a failure of the company and affect the growth.

A good leader never lets his subordinates down. He helps him/her in every way possible. A good leader solves the subordinate's issues as soon as possible.

A good leader must have an excellent approach towards his subordinates and on customer services. His subordinates must be comfortable with him while working.

With the help of these qualities a leader will be able to achieve his team targets and it will benefit the company at the end. Standard procedures have to be followed and there should not be any negotiations on company policies.”

The question was asked about the measurements of the company performance and employees in the company. The CEO replied that they do not compromise on providing the best possible technology related to their work. On the other hand, the working environment is comfortable for the employees so that they do not feel any discomfort during work which affects the results. Moreover, there is random check on employees working in different departments by surprised meetings which helps to judge performance. Although they have a very strong hiring process and interviews where they also check the ethical behavior of the employees, which builds the trust level, still they are planning to do some more work in performance measurements of the company in future.

### 5.3 Analysis of the research questionnaire

In this chapter analysis of the survey questionnaire is dealt with. The results will be examined by graphs and supported by text. At the end recommendations and conclusions are drawn from the survey.

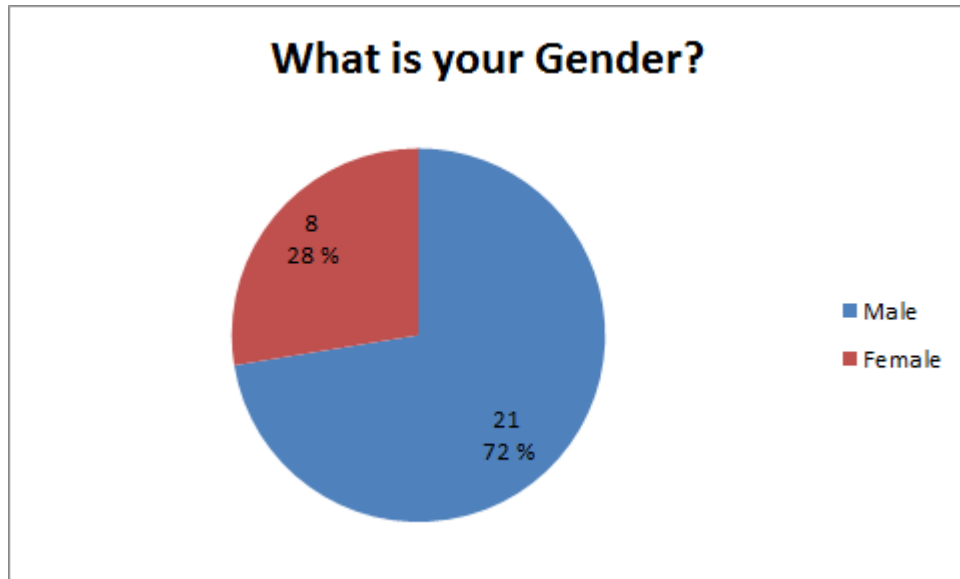


Figure 5. Gender

The total number of participants who took part in the survey is 29 out of which 21 consists of male (72%) and 8 consist of females (28%). The gender distribution is shown in figure 5.

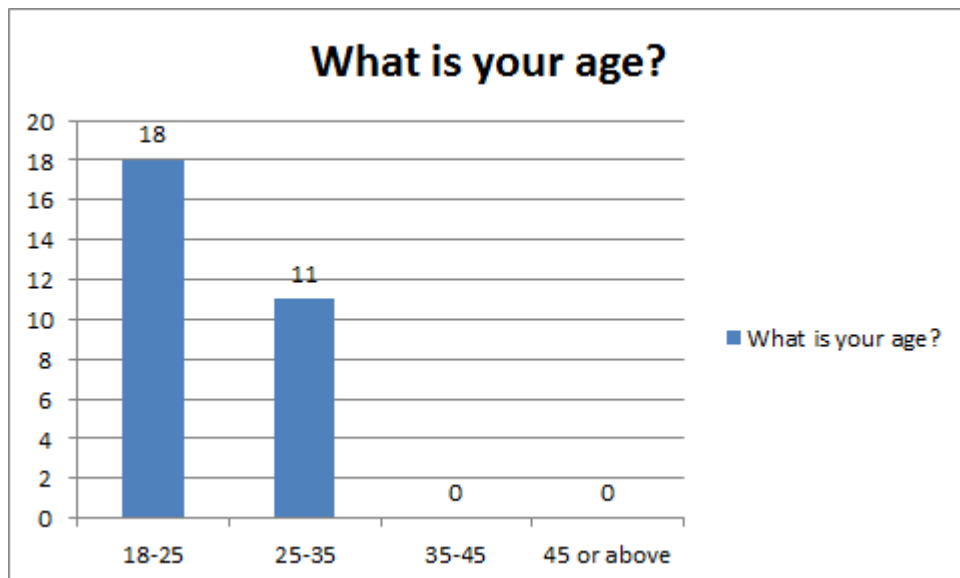


Figure 6. Age distribution

The total number of respondents is 29. This figure shows that there are 18 respondents in the age group 18-25 and 11 respondents in the age group 25-35. There are no respondents in the age group 35-45 and 45 or above. The age distribution is shown in figure 6.

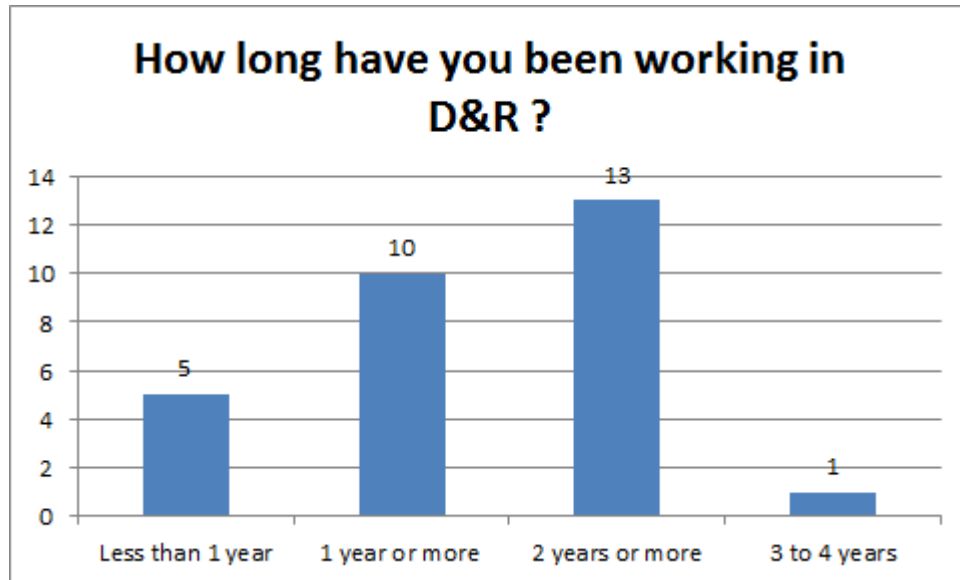


Figure 7. Work in D&R Cambric

Out of 29 respondents the number of respondents who have been working in D&R Cambric Communication for less than one year is 5. Ten of the respondents have been working for the company for more than 1 year. 13 of the respondents have been working for company for more than two years. Finally one of the respondents has been working for more than three. This is shown in figure 7.

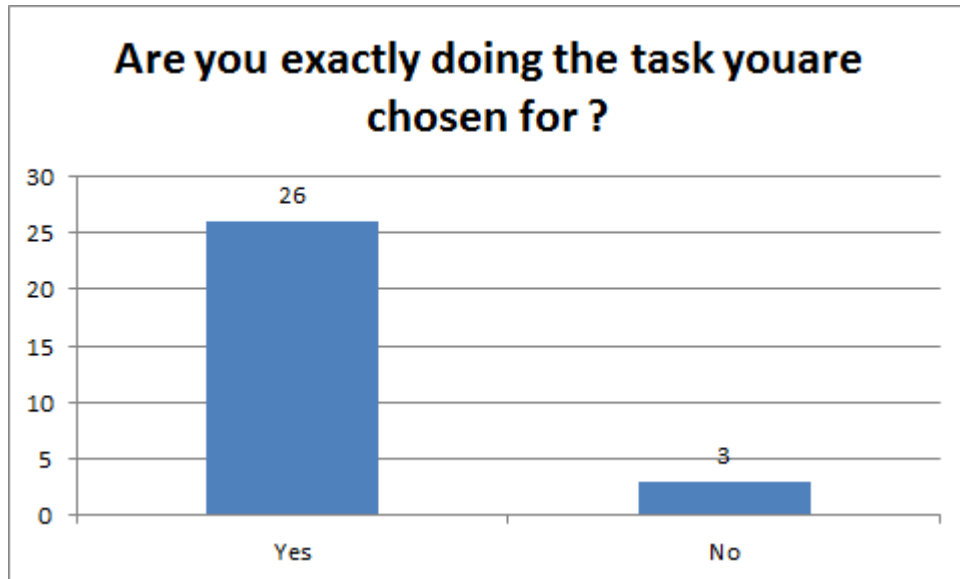


Figure 8. Doing the task

26 respondents out of 29 were doing exactly the task they were chosen for but three of the respondents said they are not doing the chosen task. This shows that more respondents work for the company's interest. This is shown in figure 8.

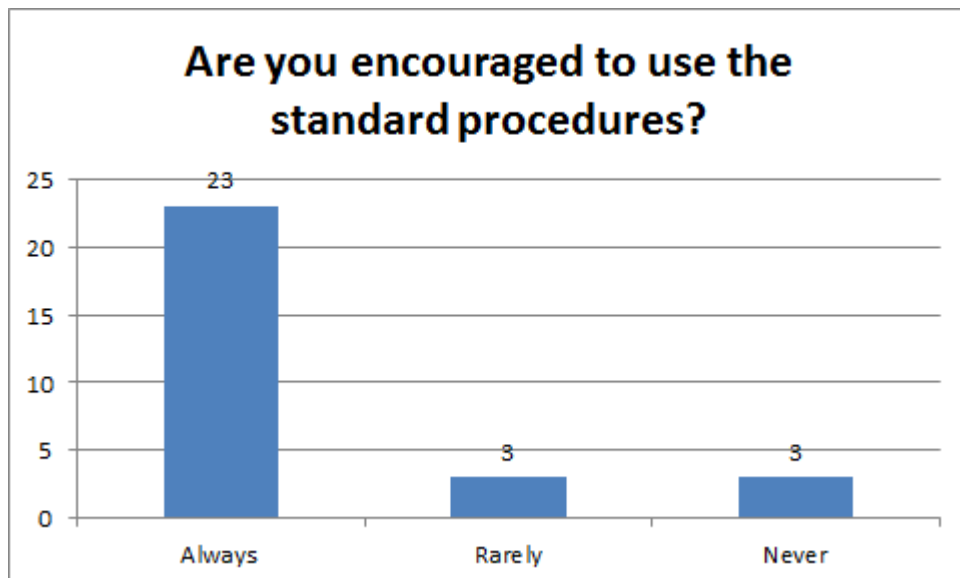


Figure 9. Standard procedures

23 respondents stated that they are always encouraged to use the standard procedures and three respondents replied that they are rarely encouraged to use the standard procedures. Three respondents replied never to this question. This means that the company has strong policy to encourage the use of standard procedures. This is shown in figure 9.

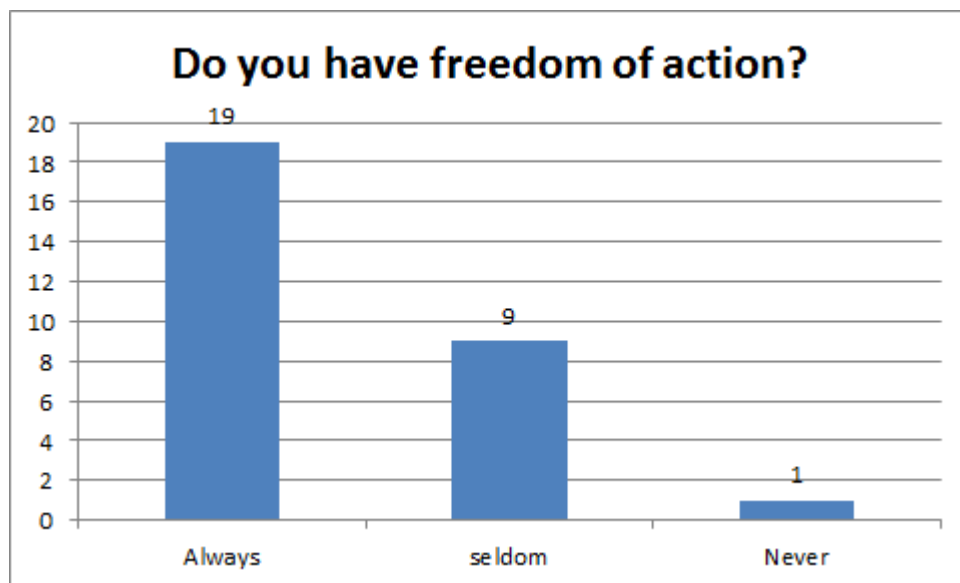


Figure 10. freedom of action

19 respondents out of 29 said that they always have freedom of action whereas nine of them replied that they seldom have freedom of action and one said never has freedom of action. This shows that most of the people in the company have freedom of action regarding their work issues as shown in figure 10.

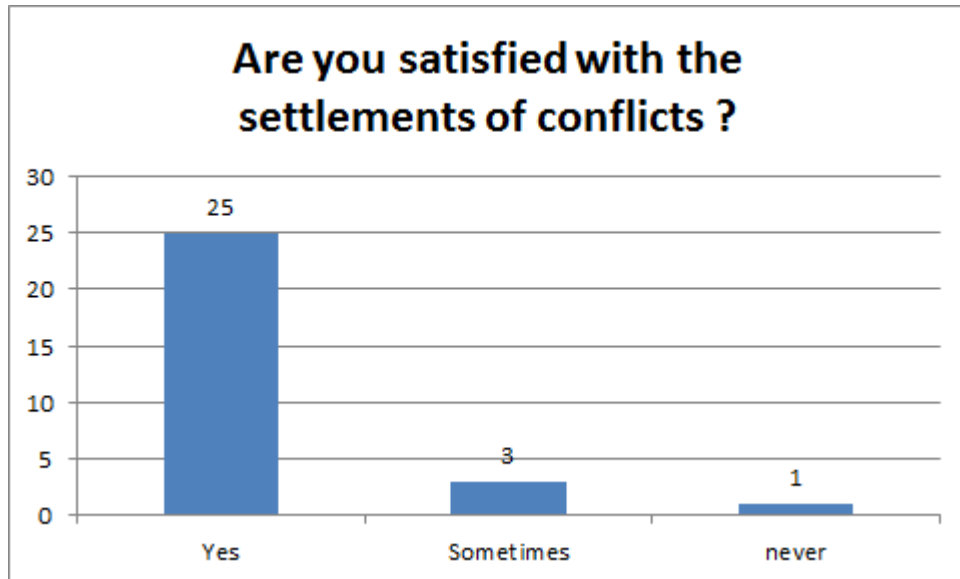


Figure 11. Settlements of conflicts

There are 25 respondents out of 29 who said that they are satisfied with the settlements of conflicts in the company. Three respondents replied that sometimes and there was one who was not satisfied with settlements of conflicts in the company. This is shown in figure 11.

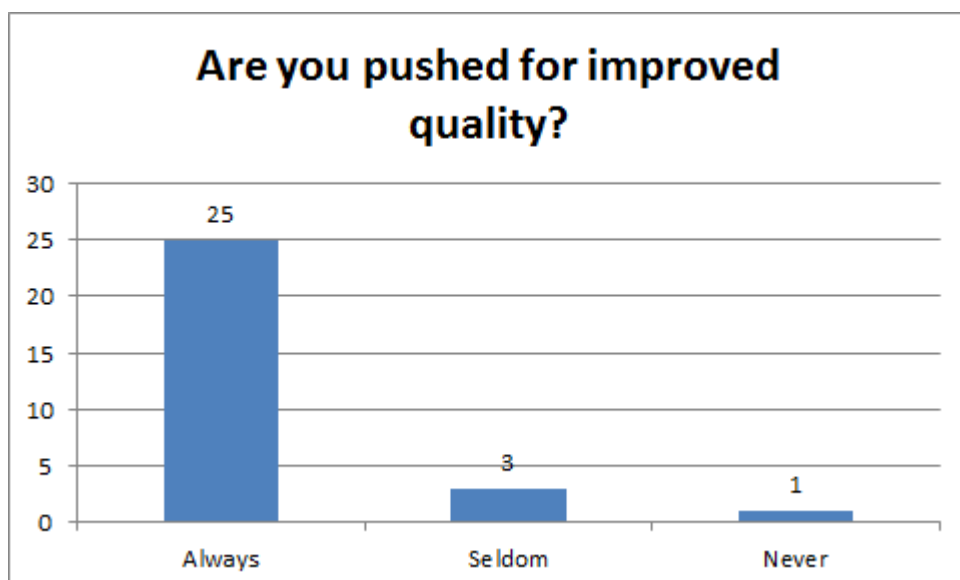


Figure12. Pushed for improved quality

25 Respondents out of 29 are pushed for improved quality. Three of them said that this happens seldom and there was one saying that company do not go for improvements in quality. This means that management in the company is well organized. This is shown in figure 12.

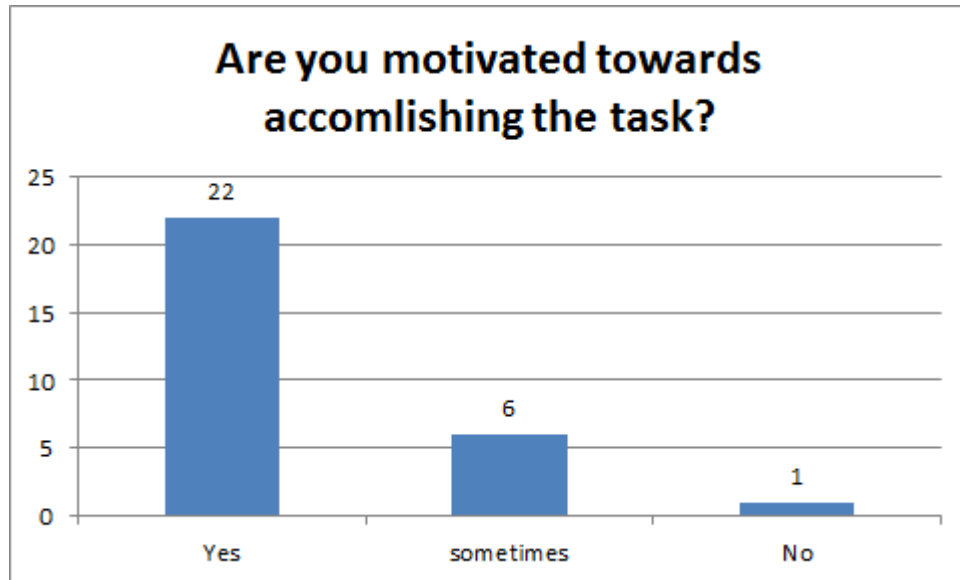


Figure 13. Motivated accomplishing task

There are 22 respondents out of 29 who said that they are well motivated towards accomplishing the task. Six of the respondents said there is motivation sometimes whereas one said that there is lack of motivation. This means that the employees are highly motivated towards their tasks in the company. This is shown in the figure 13.



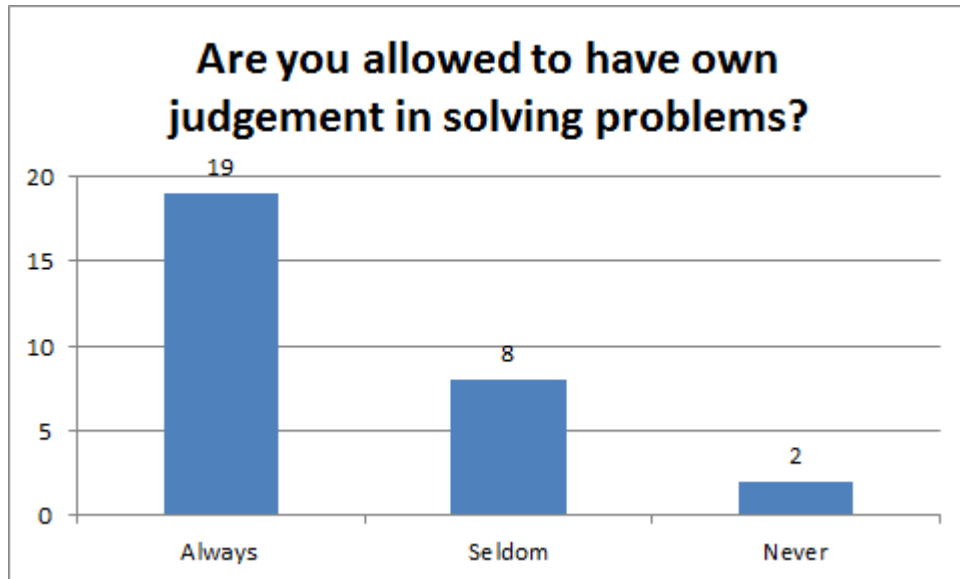


Figure14. Own judgment in solving problems

19 out of 29 respondents said that they are allowed to have their own judgment in solving problems but eight of them said that it happens seldom. There are two respondents who said never about the allowance of own judgment in solving problems. This means that company also gives the chance to the employees to be broad minded. This is shown in figure 14.

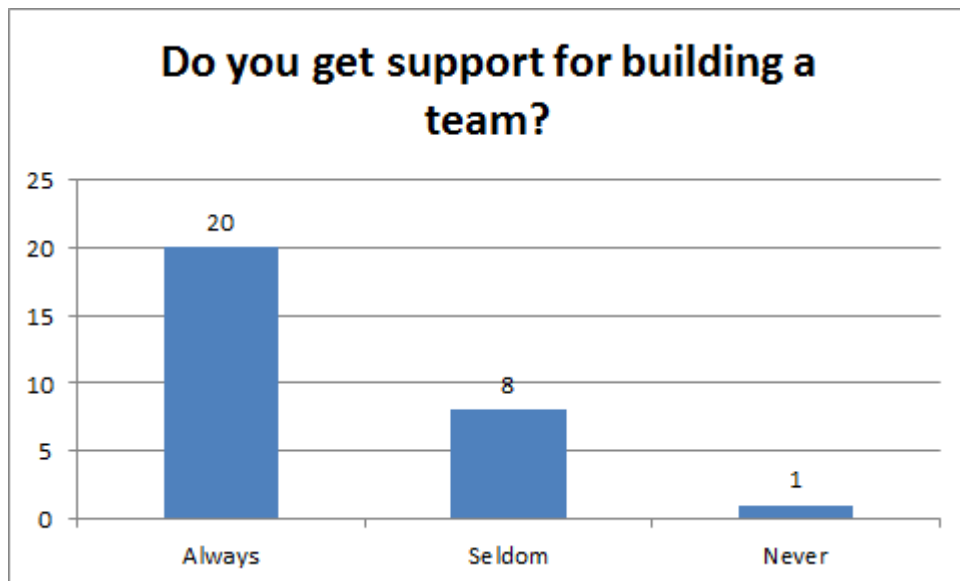


Figure 15. Support for team building

There are 20 respondents who said that they get support for building a team, however, eight of them said they get the help sometimes and one of them said that they do not get the needed support. This means that there are good team leaders and the managers in the company to support their teams as shown in figure 15.

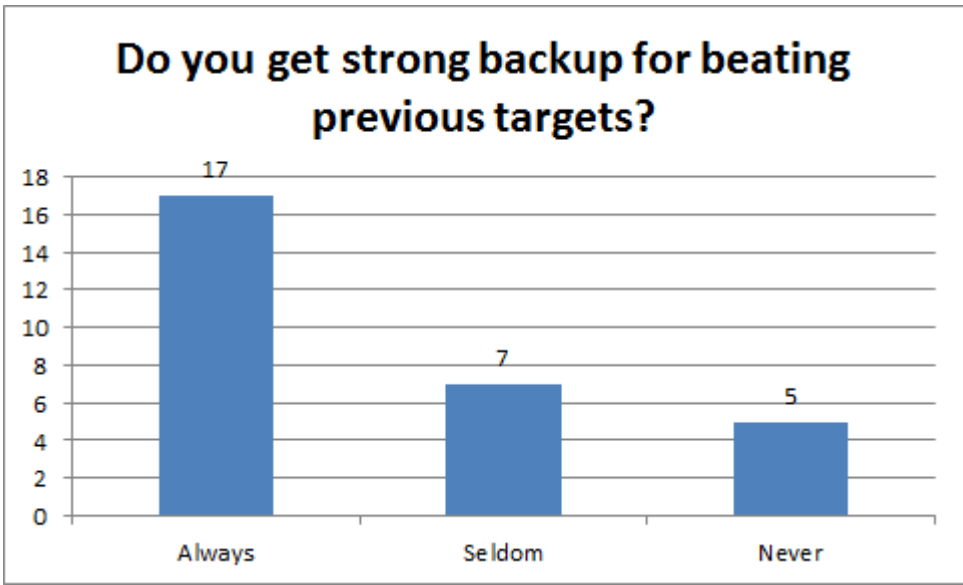


Figure 16. Strong backup for beating previous targets

17 respondents out of 29 said that they have strong backup to beat the previous targets whereas seven of them said that they seldom have this chance and five of them said that they never get the back up for exceeding the previous targets. This shows that company is still working hard to offer strong support as shown in figure 16.

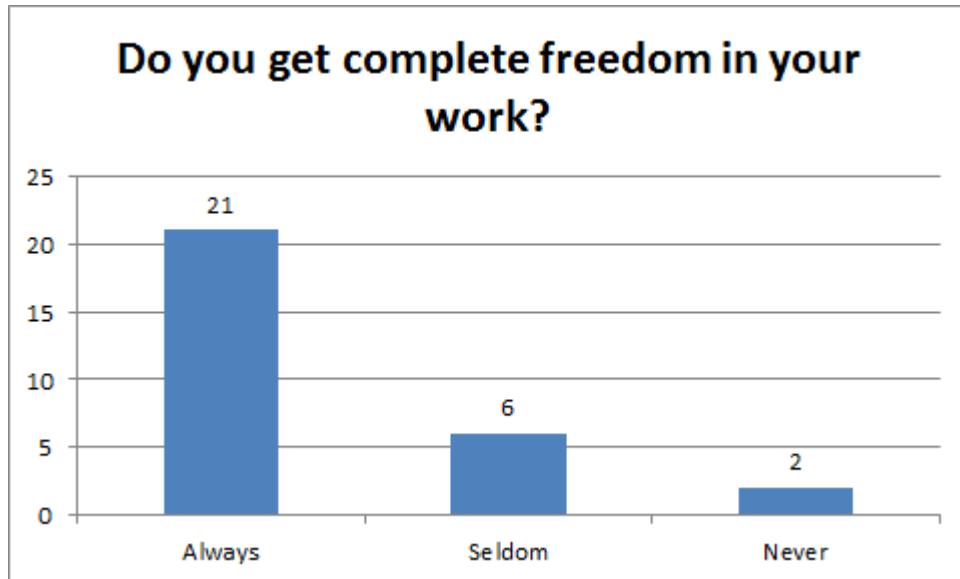


Figure 17. Freedom in your work

21 respondents out of 29 said that they always had freedom of action in their work. Six of them said that they have the freedom seldom and two of them responded never to this question as shown in Figure17.

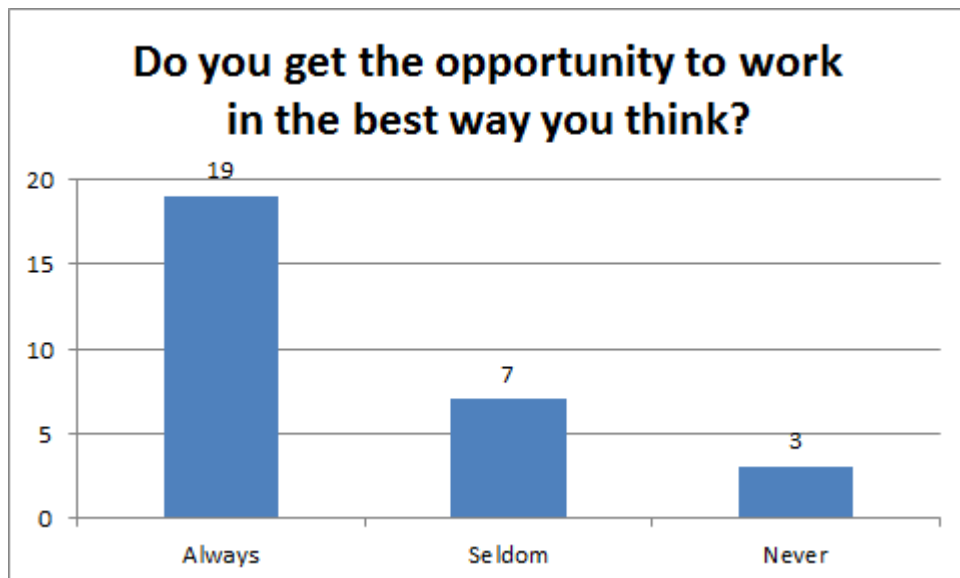


Figure 18. Opportunity to work in the best way you think

19 out of 29 respondents said that they had the opportunity work in the best way they think. Seven of them told that they seldom have the opportunity to work in the way they think is best. Three of the respondents replied that they never had this opportunity as shown in Figure 18.

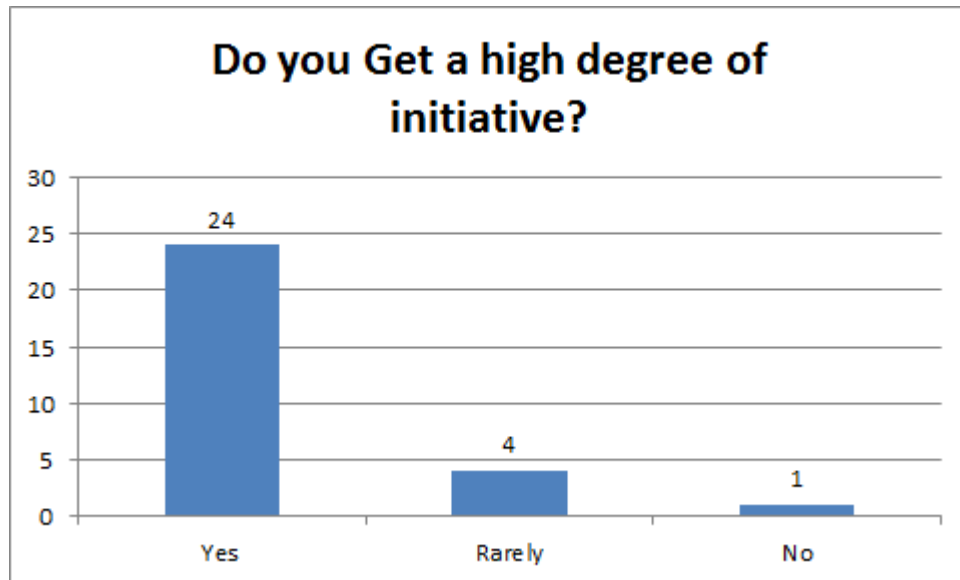


Figure 19. Get a high degree of initiative

24 out of 29 respondents said that they have a high degree of initiative. Four of them responded that they rarely have the high degree of initiative and one of them said that they do not have it at all as shown in Figure 19.

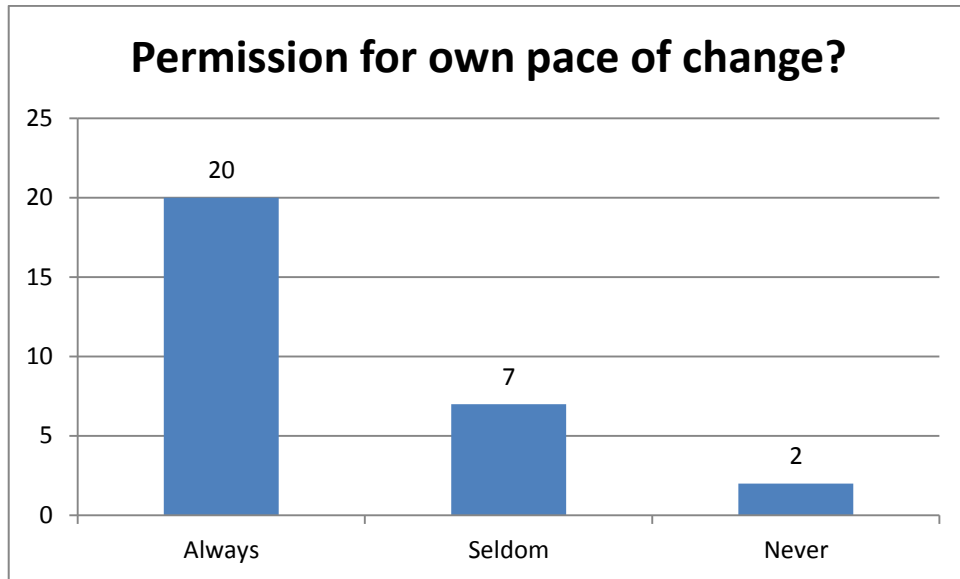


Figure 20. Permission for their own pace of change.

20 out of 29 respondents said that they have the permission for their own pace of change while seven of them said that they seldom have it and two of them replied never had permission for own pace of change. Figure 20

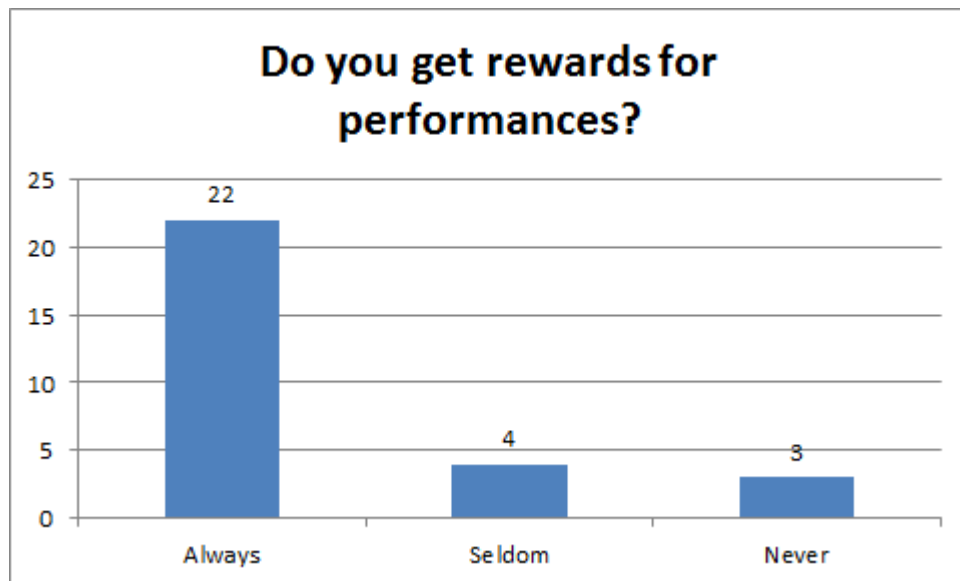


Figure 21. Rewards for performances

22 out 29 respondents said that they get rewards for the performance. Four said that they seldom got rewards. Three of them said that they do not get rewards at all as shown in Figure 21.

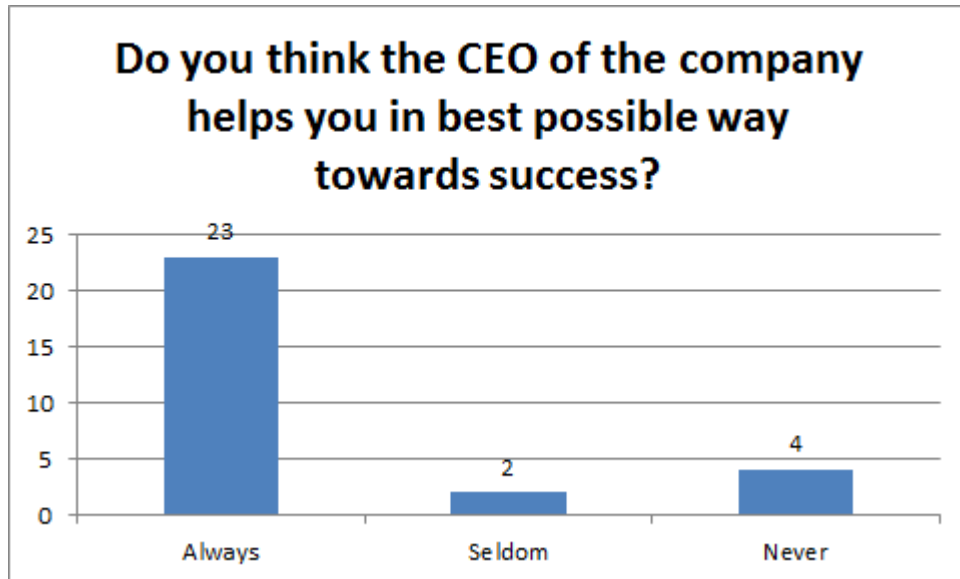


Figure 22. CEO efforts towards success

23 out of 29 respondents were satisfied with the CEO and said that they got help from the CEO in the best possible way towards the success. Two of them said that they seldom got help and four of them stated they never got help as shown in Figure 22.

## 6 CONCLUSION AND RECOMMENDATIONS

### 6.1 Conclusions

The main aim of the research is to find the impact of leadership behavior on a firm's business growth. The case company in the research was D&R Cambric Communications. A telephone interview with the CEO of D&R Cambric Communications was conducted. There are 54 employees working at D&R Cambric Communication, out of who 29 responded to the survey questionnaire. The research was done to study how the firm grows towards success and achieves targets with the help of leadership behaviors and different types of leadership behaviors were discussed. D&R Cambric Communications is one of the fastest growing companies in the service sector area in the region. After the interview with the CEO of D&R Cambric Communication it has been concluded that the CEO is said to have democratic and transactional leadership behavior type which is a reason for the growth and success of the company in a short period of time. The survey questionnaire was sent to the CEO of the case company and then forwarded to employees of the company. Most of the questions asked from the respondents were based upon the interview conducted with the CEO. 29 respondents who are the employees of the D&R Cambric Communications responded to the survey. Out of 29 respondents 21 are male and 8 females. Most of the respondents said that they are always encouraged to use the standard procedures in the company and the CEO also stated in the interview that they always encourage their employees to use the standard procedures. Most of the respondents had freedom of action in the company. This shows that they are not bound by limited actions. When the question was asked about solution to conflicts within the company most of them were satisfied. When the question was asked about the motivation towards accomplishing the goal and task most of the employees were satisfied and motivated by the achievements, The CEO also stated that they have different motivational strategies used in the company the reward based strategy was said to be most used one. According to most of the respondents they got strong support to build a team and the CEO also said that

they have skilled team leaders and managers who deal with the CSRs and help those in building strong teams. The employees are also given the freedom in their work and they are allowed to work in the way they think is best for them to achieve targets and they also get strong backup from team leaders and supervisors to surpass the previous targets and most of the respondents agree to this and this is also stated by the CEO in his interview. Most of the employees agree that they are rewarded for their performance, which is one of the most important tools for motivation in D&R Cambric Communications as stated by the CEO. Mostly employees were satisfied with the CEO and his actions towards the company management and employees; this is one of the main reasons for the growth and performance of D&R Cambric Communications.

## 6.2 Recommendations and future research

This study shows that leadership behavior is quite essential in companies related to the service sector. In this study it has been examined how a firm grows towards success and how it achieves its goals and targets. The role of the CEO in the case company in relation to success was discussed. This study also explains the different leadership behaviors and their impacts on the firms in service sector. These ideas can be used for the future research especially for the companies based upon customer services. The study can also help in improving the performance of employees and in motivating employees to accomplish their goals.



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## Appendix 1. QUESTIONNAIRE FOR EMPLOYEES

1. What is your Age?

18-25, 25-35, 35-45, More than 45

2. What is your gender?

Male

Female

3. How long have you been working in D&R cambric communication?

Less than one year

1 year or more

2 years or more

3 to four years

4. Are you exactly doing the task what you are chosen for?

Yes

No

5. Are you encouraged to use the standard procedures?

Always

Rarely

Never

6. Do you have freedom of action?

Always

Seldom

Never

7. Are you satisfied with the settlement of the conflicts that happen?

Yes

Sometimes

Never

8. Are you pushed for improved quality?

Always

Seldom

Never

9. Are you motivated towards accomplishing a goal or task?

Yes

No

Sometimes

10. Are you allowed to have your own judgment in solving problems?

Always      Seldom      Never

11. Do you get support for building a team?

Always      Seldom      Never

12. Do you get strong backup to beat previous targets?

Always      Seldom      Never

13. Do you get complete freedom in your work?

Always      Seldom      Never

14. Do you have opportunity to work in the way you think is best?

Always      Seldom      Never

15. Do you get a high degree of initiative?

Yes      Rarely      No

16. Are you permitted to set your own pace for change?

Always      Seldom      Never

17. Do you get rewards for your performances?

Always      Seldom      Never

18. Do you think the CEO of the company helps you in all the best possible ways to lead you towards success?

Always      Seldom      Never

## Appendix 2. INTERVIEW QUESTIONS FOR CEO

How was the business growth?

How do they motivate employees?

How was the behavior with employees?

How do you help in achieving targets?

How do you help in accomplishing goals?

How did the company grow in short period of time?

How the leadership behavior does helps in business growth of the firm?

How do they measure the performance of the firm and employees?